

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

**Before the Commissioner of the Office of Financial and Insurance Services**

**In the matter of:**

**Jiafan Xu  
44970 Roundview Drive  
Novi, Michigan 48375**

**Enforcement Case No. 06-3988**

**Respondent**

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**Issued and entered,  
April 19, 2006  
by Linda A. Watters,  
Commissioner**

**CONSENT ORDER**

**I.  
BACKGROUND**

Oaland, Inc. (“Oaland”), is a Michigan domiciled corporation, organized under the laws of the State of Michigan, that has made application for licensure as a mortgage broker under the Mortgage Brokers, Lenders, and Servicers Licensing Act (“MBLSLA”), Act No. 173 of 1987, as amended, MCL 445.1651 *et seq.* Jiafan Xu (Respondent) is the Vice President of Oaland. Respondent is not presently licensed by the Office of Financial and Insurance Services (“OFIS”) pursuant to the MBLSLA or any other consumer finance statute regulated by OFIS. In reviewing Oaland’s application, OFIS staff determined that Respondent was already conducting mortgage related activities, which require licensure as a mortgage broker under the MBLSLA. Respondent and OFIS

staff have conferred and have agreed to resolve this matter according to the terms set forth below.

## **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. During the year 2003 through June 2004, Respondent was employed as a loan officer for a licensee, TG Group, LLC, license no. FL-0010636.

2. From October 2004 through December 2004, Respondent was employed as a loan officer for a licensee, Faract Corporation, license no. FL-3889.

3. Respondent's compensation was reported via a 1099 form for the years ending 2003 and 2004. Respondent's 1099 independent contractor compensation from TG Group, LLC, for year-end 2003 was \$38,505.78 and \$12,261.61 for year-end 2004. Further, Respondent's 1099 independent contractor compensation from Faract Corporation for year-end 2004 was \$20,915.12.

4. Section 2(1) of the MBLSLA prohibits a person from acting as a mortgage broker, mortgage lender, or mortgage servicer without first obtaining a license or registration.

5. Section 2(3) of the MBLSLA prohibits a residential mortgage loan originator (also known as a loan officer) from receiving directly or indirectly any compensation, commission, fee, points or other remuneration from a mortgage broker, mortgage lender, or mortgage servicer other than his/her employer.

6. Respondent conducted first lien mortgage business without the requisite license or registration certificate required under Section 2(1) of the MBLSLA.


### **III. ORDER**

Therefore it is ORDERED that:

1. Respondent shall cease and desist violating sections 2(1) and 2(3) of the MBLSLA.
2. Respondent shall pay to OFIS an applicable civil penalty of \$1000.00.
3. Respondent, as Vice President of Oaland, Inc., shall establish and maintain a program to monitor and ensure compliance with all state and federal consumer laws and regulations relating to all mortgage activity.
4. Respondent, as Vice President of Oaland, Inc., shall educate himself and all employees of Oaland, Inc. with respect to all state and federal consumer laws and regulations, including the Mortgage Brokers, Lenders, and Servicers Licensing Act.
5. Respondent shall review and ensure that Oaland, Inc. complies with the OFIS Consumer Finance Bulletin No. 2003-09-CF, posted on the OFIS website, which clarifies OFIS' position on employees and branch offices in Michigan.
6. Respondent, as Vice President of Oaland, Inc., shall immediately designate a compliance officer for Oaland, Inc., and provide written notification to OFIS of the compliance officer's name and business address, to ensure that Oaland, Inc. is in compliance with all applicable state and federal laws. Respondent's written notice designating a compliance officer shall accompany Respondent's payment of a civil fine as provided for in Paragraph 2 of this Order. Respondent, as Vice President of Oaland,

Inc., shall notify the Office of Financial and Insurance Services of any change in designation of the compliance officer within 30 days of such re-designation.

The Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA. Failure by Respondent to abide by the terms and provisions of this Order may result in the commencement of additional proceedings.

A handwritten signature in black ink, reading "Linda G. Watter", followed by a horizontal line.

Commissioner